SLC Agrícola

EARNINGS CONFERENCE CALL



Soybean plot 2018/19 crop year with excellent aspect at Pantanal farm/MS. Photo taken on October 23 (plants with 23 "DAE" – Days After Emergence).

RELEASE 3Q18

November 14th, 2018

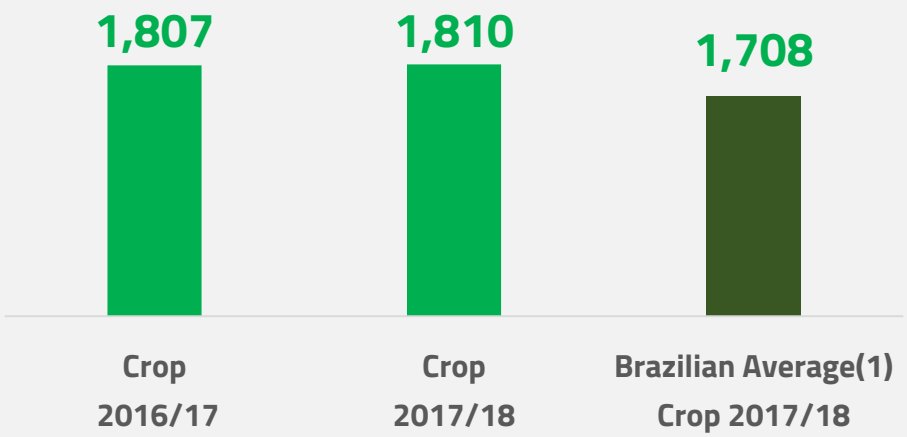
1. HIGHLIGHTS



CONCLUSION OF THE 2017/18 CROP

RECORD YIELDS

(Kg/ha)



(1)Source: CONAB

Cotton lint

(1st & 2nd crop, average)

- ✓ 6% above national average
- ✓ Above record yield of 2016/17



(1)Source: CONAB

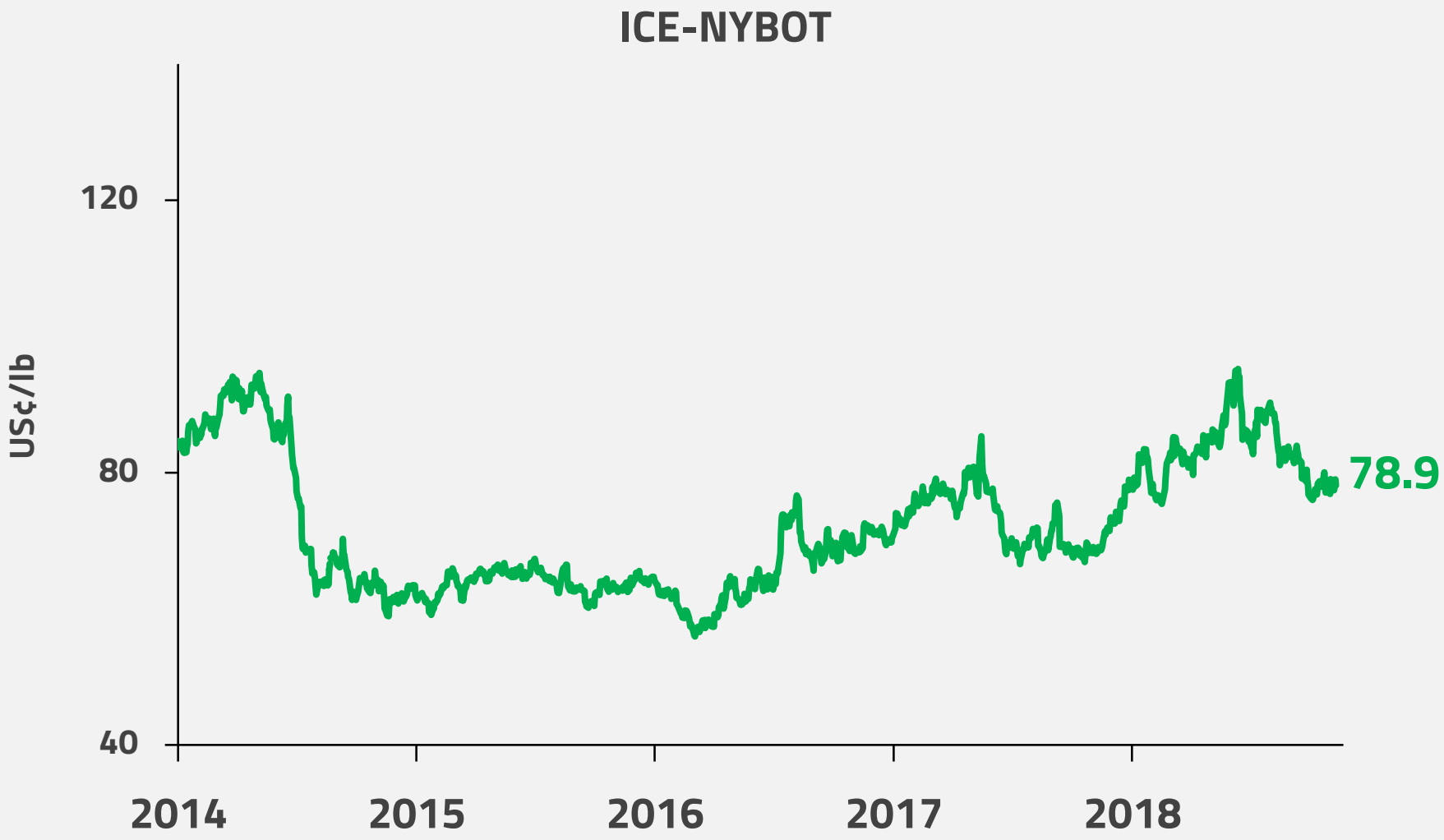
Soybean

- ✓ 10.2% above national average
- ✓ 13.9% above 2016/17



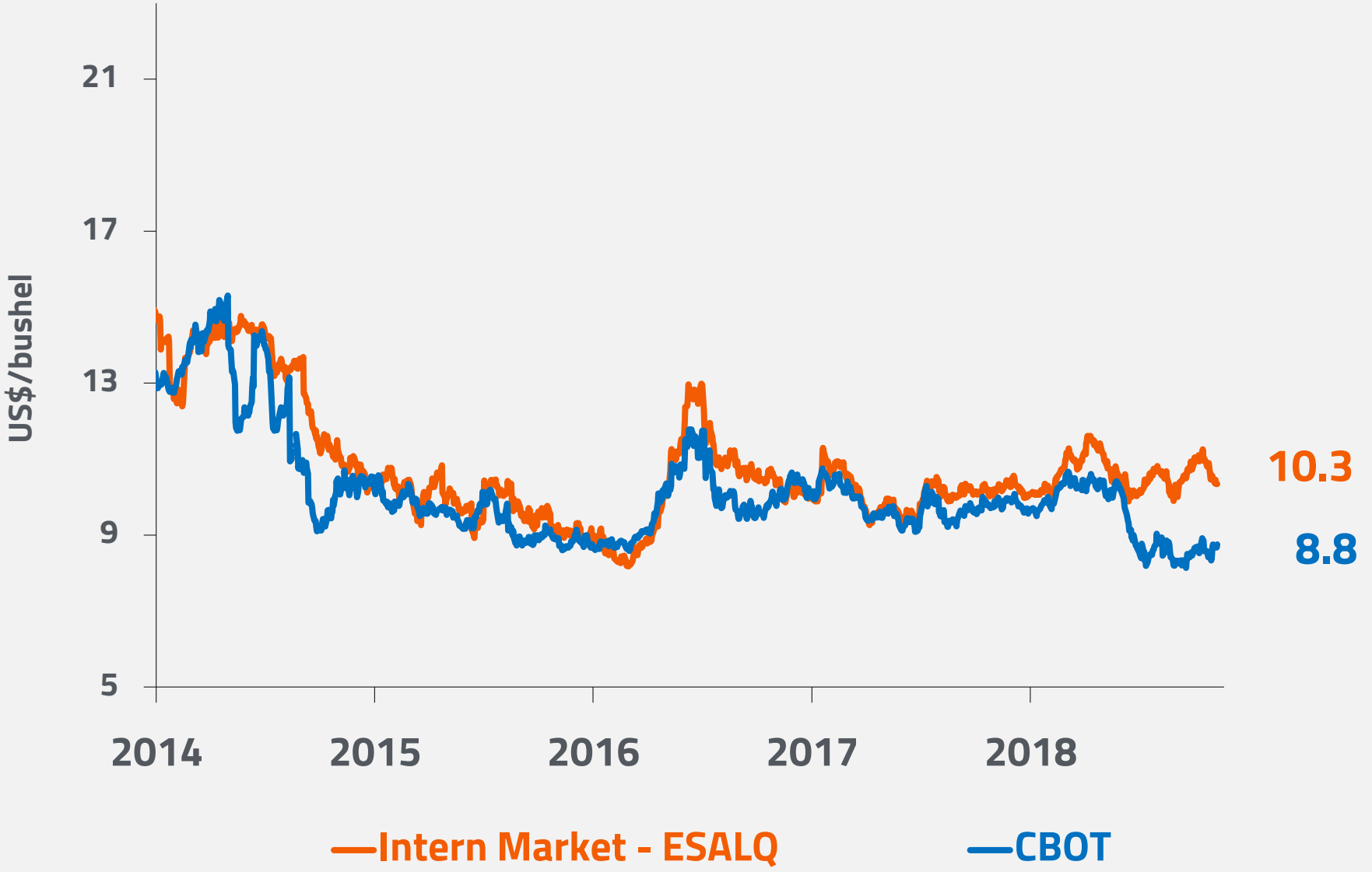
2. MARKET FUNDAMENTALS

PRICE – COTTON



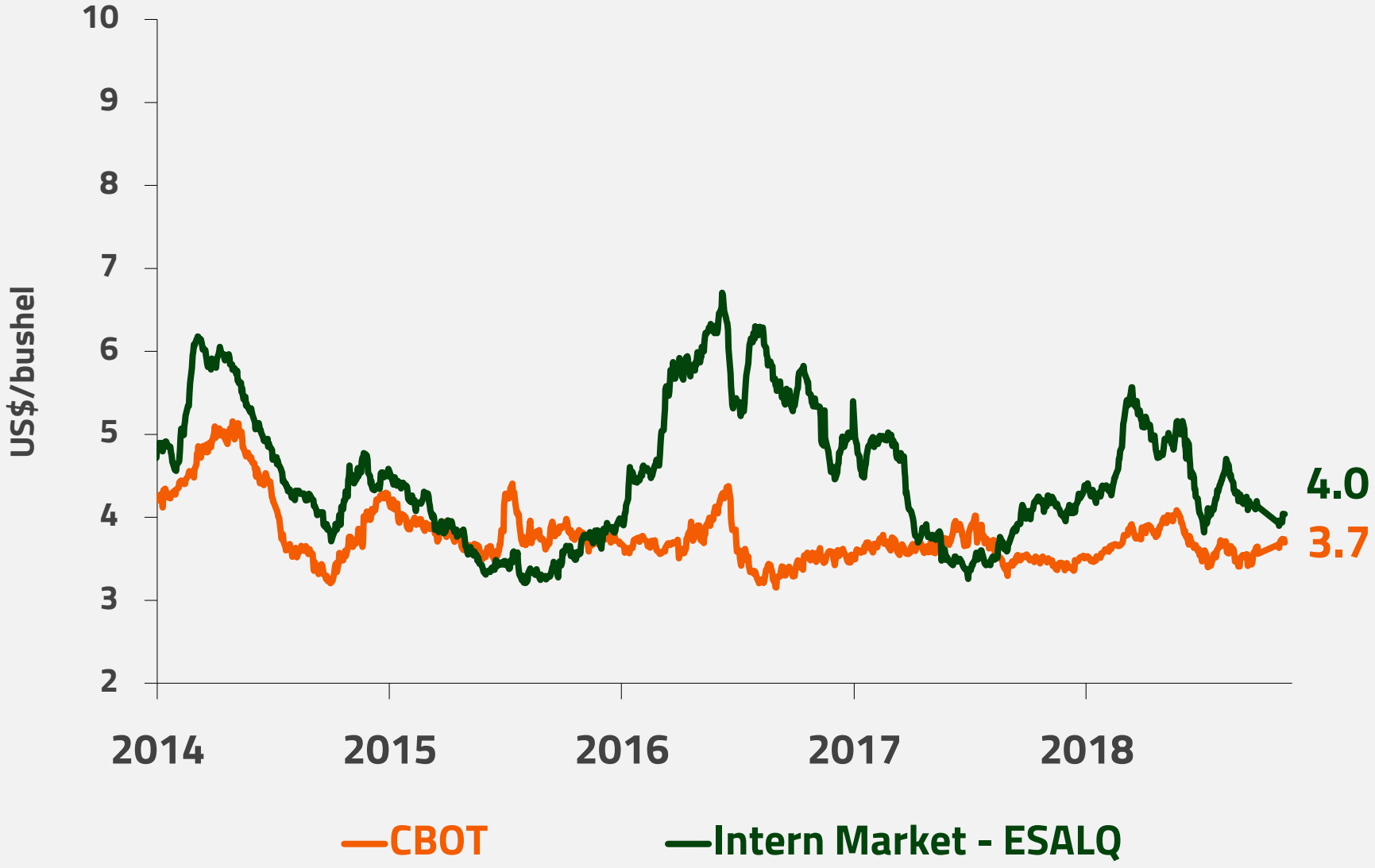
Updated until 11/09/2018

PRICE – SOYBEAN



Updated until 11/09/2018

PRICE – CORN



Updated until 11/09/2018



3. FINANCIAL PERFORMANCE

FINANCIAL HIGHLIGHTS (R$ thd)

(R$ Thousand)	9M17	9M18	AH	3Q17	3Q18	AH
Net Revenue	**1,152,326**	**1,296,156**	**12.5%**	**459,587**	**408,451**	**-11.1%**
Ch. in Fair Value of Biol. Assets	**340,753**	**656,799**	**92.7%**	**101,442**	**129,134**	**27.3%**
Gross income	**509,984**	**730,385**	**43.2%**	**155,556**	**114,498**	**-26.4%**
Gross margin	*44.3%*	*56.4%*	*12.1 p.p*	*33.8%*	*28.0%*	*-5.8 p.p*
Operating income	**399,314**	**600,779**	**50.5%**	**114,095**	**68,755**	**-39.7%**
Operating margin	*34.7%*	*46.3%*	*11.6 p.p*	*24.8%*	*16.8%*	*-8.0 p.p*
Net profit	**232,634**	**373,042**	**n.m.**	**70,500**	**35,587**	**-49.5%**
Net Margin	*20.2%*	*28.8%*	*8.6 p.p*	*15.3%*	*8.7%*	*-6.6 p.p*
Adjusted EBITDA	**314,087**	**397,588**	**26.6%**	**116,834**	**88,298**	**-24.4%**
Adjusted EBITDA Margin	*27.3%*	*30.7%*	*3.4 p.p*	*25.4%*	*21.6%*	*-3.8 p.p*
Net debt	**844,882**	**1,189,668**	**40.8%**	**844,882**	**1,189,668**	**40.8%**

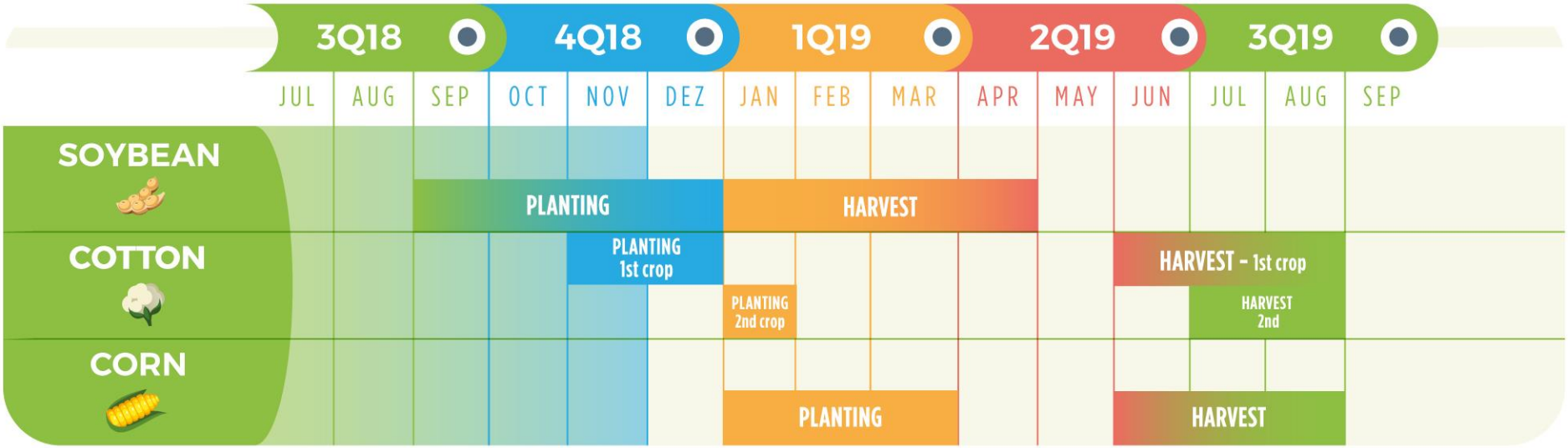
DEBT BREAKDOWN (R$ thd)

(R$ thd)	Index	Average Interest Rate (%) 2Q18	Average Interest Rate (%) 3Q18	2Q18	3Q18
Applied in Fixed Assets					
Finame – BNDES	Pré, TJLP and FX Basket	5.50%	**5.45%**	101,993	**95,828**
				101,993	**95,828**
Applied in Working Capital					
Rural Credit	Pré	6.98%	**6.81%**	186,489	**191,969**
CRA	CDI	6.55%	**6.55%**	201,112	**204,381**
Working Capital	Pré	7.20%	**7.20%**	184,840	**188,013**
External Loans	Pré	6.50%	**6.50%**	201,820	**204,996**
External Loans	CDI	7.55%	**7.56%**	442,810	**446,027**
External Loans	US$, Libor+Pré	6.79%	**6.89%**	48,820	**51,664**
Working Capital	CDI	7.20%	**7.20%**	296,484	**311,468**
				1,562,375	**1,598,518**
Total Indebtedness		6.99%	**6.98%**	1,664,368	**1,694,346**
(+/-) Gains and losses with derivates linked to applications and debts				47.109	**59.840**
(=) Adjusted Debt				1,617,259	**1,634,507**
(-) Cash				523,401	**444,839**
(=) Net Debt				1,093,858	**1,189,668**
Rolling 12 M. EBITDA				850,622	**822,085**
Adjusted Net Debt/Adjusted EBITDA				1.29x	**1.45x**
Adjusted Net Debt/NAV				27.3%	**29.6%**



4.OUTLOOK CROP 2018/19

CROP 2018/19
WHERE WE ARE IN THE CYCLE





COTTON
121,777 ha*
Δ 28.0%

SOYBEAN
243,323ha*
Δ 5.7%

CORN
88,850ha*
Δ 15.5%

** Planned palnted areas Δ Variation against previous crop – Base data 11/09/2018*

2018/19 CROP
CENTER-WEST (PERDIZES FARM)





PLOT: 124
VARIETY: NS 7901 RR
DAYS AFTER EMERGENCE: 27
CICLO: 105 DAYS





PLOT: 119
VARIETY: BMX BÔNUS IPRO
DAYS AFTER EMERGENCE: 29
CICLO: 105 DAYS

2018/19 CROP
CENTER-WEST (PIONEIRA FARM)





PLOT: 04
VARIETY: BMX BÔNUS IPRO
DAYS AFTER EMERGENCE: 28
CYCLE: 110 DAYS





PLOT: 11
VARIETY: BMX EXTRA IPRO
DAYS AFTER EMERGENCE :18
CYCLE: 105 DAYS

2018/19 CROP
CENTER-WEST (PLANALTO FARM)



PLOT: 17
VARIETY: NA 5909 RR
DAYS AFTER EMERGENCE: 28
CYCLE: 105 DAYS



PLOT: 18
VARIETY: BMX DESAFIO RR
DAYS AFTER EMERGENCE: 15
CYCLE: 120 DAYS

2018/19 CROP
NORTHEAST (PLANESTE FARM)



PLOT: 1
VARIETY BMX ÚNICA IPRO
DAYS AFTER EMERGENCY : 18
CYCLE: 95 DAYS



PLOT: 13
VARIETY: BMX EXTRA IPRO
DAYS AFTER EMERGENCY: 12
CYCLE: 100 DAYS

CROP 2018/19
PLANTED AREA

Crop Mix	Planted Area 2017/18 ---------- ha	Planted Area 2018/19 ----------	Share 2018/19 %	Δ%
Cotton	**95,124**	**121,777**	**26.6**	**28.0**
Cotton 1st crop	57,832	73,089	16.0	26.4
Cotton 2nd crop	37,292	48,688	10.7	30.6
Soybean (Commercial + Seeds)	**230,164**	**243,323**	**53.2**	**5.7**
Corn 2nd crop	**76,931**	**88,850**	**19.4**	**15.5**
Other crops	2,228	3,084	0.7	38.4
Total Area	**404,446**	**457,034**	**100.0**	**13.0**

CROP 2018/19
PRODUCTION COST
(PER HECTARE)

Total (R$/ha)	A Budget 2017/18	B Achieved 2017/18	C Budget 2018/19	C/B	C/A
Cotton 1st crop	6,811	7,140	8,187	14.7%	20.2%
Cotton 2nd crop	6,023	6,002	7,475	24.5%	24.1%
Soybean	2,311	2,355	2,697	14.5%	16.7%
Corn 2nd crop	1,814	1,754	2,119	20.8%	16.8%
Total average cost	**3,368**	**3,433**	**4,020**	**17.1%**	**19.4%**

HEDGE
CURRENT POSITION
Base-date: 10/30/2018

Year	2018		2019		Variation
FX	%	R$/US$	%	R$/US$	
	97.6	3.4194	58.7	3.5240	3.1%
Cotton	%	US¢ /pound	%	US¢ /pound	
	100.0	79.48	68.6	81.60	2.7%
Soybean	%	U$/bushel	%	U$/bushel	
	99.0	10.76	44.6%	10.86	0.9%
Corn	%	R$/bag	%	R$/bag	
	88.5	19.63	12.0	21.61	10.1%

OUR
BIG DREAM

To positively impact future generations, through global leadership in agribusiness and respect to the planet.





OUR **VALUES**

We believe that those who have **PASSION FOR WHAT THEY DO** are committed and do it with the highest quality, preserving their **INTEGRITY** through an ethical conduct, consistent and unquestionable.

These attitudes together generate **LONG LASTING RELATIONSHIP** between all the interested parties, producing **SUSTAINABLE RESULTS** that are economically viable, socially just and environmentally responsible.

INTEGRITY

PASSION
FOR WHAT WE DO

LASTING
RELATIONSHIPS

SUSTAINABLE
RESULTS


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